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Indictments were recently handed down in Washington against General (R) Manuel Contreras, the former DINA Director, and two other ex-DINA officers, and we are expecting the extradition requests to arrive in Chile next week. At that point the Chilean Supreme Court will hold public hearings concerning the requests, examine the evidence, and hand down one of three decisions: (a) extradite; (b) refuse to extradite on grounds of nationality but order a military court to try them locally; (c) reject the requests for insufficient evidence and not order them tried at all. Whatever the decision, it is sure to cause considerable commotion in Chile, the U.S., or both.

Contreras plans to base his defense on the premise that Michael Townley and the Cuban exiles implicated were all under CIA control and that the Agency ordered Letelier's assassination to throw blame on Pinochet and thus topple him. He also plans to implicate Ambassador Landau in this scheme. While this defense is of course fabricated completely of whole cloth, it could cause us embarrassment at least temporarily. Ambassador Landau is currently in Washington to discuss our defense strategy against this line of attack.

Also, [REDACTED] Contreras has warned Pinochet that if he takes the fall he will bring Pinochet down with him by claiming that he acted under Pinochet's instructions. Meanwhile, there has been little erosion of Pinochet's support, but the Army generals hold the key to his tenure and they will be carefully following the unfolding of events.

Pinochet also took steps to shore up his support within the Junta by replacing his most persistent critic within that body--Air Force representative General Gustavo Leigh. Pinochet performed this operation with surgical skill, and even though all but two Air Force generals retired in the process, their positions were quickly filled by promoting colonels.

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Approved for Release
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